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## **S T A T E M E N T**

**by Representative of the Russian Federation Mr. M. Antipov at the  
UNDP/ESCAP ARTNeT Consultative Meeting on Trade Facilitation and  
Regional Integration on session 2 “Customs Valuation in Asia-Pacific: Problems  
and Solutions (A Customs perspective)”  
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Ladies and Gentlemen!

Mr. Chairman!

Let me thank you for the informative presentation made so far. We are grateful for a high quality reports on these problems. We appreciate the efforts taken by UNESCAP to ensure strategic goals and practice areas of UNESCAP while duly taking into account needs of the programme countries.

We are going to tell you about Russia’s latest achievements in the field of foreign trade regulation.

The Russian Federation foreign trade policy is determined by several factors of equal priority. Firstly, the Russian Federation makes serious efforts on the way of world and regional economic integration. Secondly, foreign investments and enlargement of foreign trade turnover are matters of the most serious government’s concern. Thirdly, matters of national security and anti-terrorism fight inevitably affect foreign trade.

Thus, the main priorities of the Russian trade policy are to encourage foreign trade and foreign investments through procedures of simplification and tariff optimization on the one hand and to guarantee state’s security – as in terms of economy so in terms of anti-smuggling and anti-terrorism efforts.

Now we would like to dwell on the mentioned subjects.

The Russian efforts in the field of global integration can be analyzed with respect to appropriate international agreements. Among top-priority international standards in the field of foreign trade policy and customs regulation are the following:

1. General agreement on tariffs and trade and other WTO agreements.
2. Kyoto Convention on simplification and harmonization of customs procedures (revised).
3. Framework of standards to secure and facilitate global trade adopted last year by the World Customs Organization.

The most part of work concerning Russia's accession to the WTO is done. Russia has to fulfill negotiations with USA.

The work on the Kyoto Convention is also close to an end. The draft on ratification of The Revised Kyoto Convention and several its annexes will be brought in the parliament this autumn.

On the regional level of economic cooperation Russian Federation takes part in several economic associations of former Soviet republics. This helps us to unify somehow our foreign trade policy, to both harmonize and simplify our customs procedures, to make it more transparent and predictable for our foreign partners. Also elimination of borders check-points between participating countries will give obvious benefit for transit shipments.

For example, our experts have just finished their work on the draft of an agreement, which sets common principles of customs regulations for Russia, Kazakhstan, Belarus and Ukraine. This draft is based on the WTO rules and provisions of Kyoto Convention on simplification and harmonization of customs procedures.

At the same time modernization of national legislation is conducted.

Mr. Chairman,

As you may know the new progressive Customs Code was adopted in 2003 and came into force in 2004. It reduced the period for goods to be released from ten to three days, provided new opportunities in terms of electronic technologies in customs relations, provided new guarantees and many other new benefits for business. That time the named act was a real breakthrough towards WTO and WCO standards. Now it is thirty months since the new Customs Code came into force. Today, knowing the practice, we are able to name its provisions, which do not work properly and must be improved. An appropriate draft is send to federal bodies involved to be approved and to be brought in the Parliament.

One of our top priorities is the protection of intellectual property rights. There are provisions in the named draft that allow the customs officer to act ex-officio in case there is a violation of intellectual property rights. Currently he may act only at the request of an of intellectual property rights owner which do not correspond to WTO rules.

Several procedures concerning importation and exportation, goods processing and some other provisions are to be modified.

We expect this draft to be approved this year to come into force the next year.

Also there is a large project on optimization of customs payment procedures under construction.

Let me refer to the information on The Tariff Act. Last year The Tariff Act was seriously modified in order to ensure compliance with the WTO Agreement on customs valuation.

Thus, matters of customs regulation are the matter of the most serious concern of the Government. But what is more significant about modern Russian foreign trade and customs policy is that it has much larger scale in terms of the period foreseen. In 90-ies Russian Federation faced very many new complicated challenges and just tried not to let things flow. All resources were used rather to eliminate blank spaces in legislation then to work out long-term policy. Last years Russia has improved its legislation and gained certain experience in foreign trade management customs

administration. Now it is the time to set strategic tasks and to decide how these tasks could be fulfilled.

In this respect The Customs Development Concept approved by the Russian Government last December should be mentioned. This Concept sets priorities in customs development for the period 2005 – 2010 and later. These priorities are as follows.

1. The number of cross-border points should be optimized. Today there are several cross-border points that do not operate since there are no significant trade routes. At the same time dominant trade routes suffer of the lack of personnel in local cross-border points.
2. Cross-border points should be supplied with the modern equipment in order to speed-up border crossing procedures.
3. The number of controlling bodies at cross-border points should be reduced from seven to two points. These two are border control and customs.
4. Modern data-based systems of customs control should be created.
5. Common data-base for all controlling bodies involved should be created. Such a data-base is meant to speed-up decision-making process in terms of border crossing or release of goods.
6. Unified data-base for customs valuation purposes should be created. Such a data-base is one of the tools which will help us to reach to the WTO standards of customs valuation.
7. Automatic systems for risk should be created or improved.
8. Transparency of Customs legislation should be guaranteed
9. Creation of effective systems of personnel management should be fulfilled.

Obviously, these aims have many in common with WCO Framework of standards to secure and facilitate global trade. Namely, the advance electronic cargo information on inbound, outbound and transit shipment; performance of an outbound inspection of high-risk containers and cargo, preferably using non-intrusive detection equipment such as large-scale X-ray machines and radiation detectors; risk management approach to address security threats etc.

We would like to emphasize, that though the Concept was adopted last year, the work in some areas has started long ago and there are many positive achievements. For example, the effectiveness of Customs-to-Business cooperation is constantly growing. On each level of customs system there are Customs policy councils where customs officials and businessmen have an opportunity to discuss customs-related matters.

With respect to exchange of advance electronic cargo information it is necessary to mention successful Green-Channel project launched at the Russian-Finnish border. Similar project at the Russian-Kazakhstan border is now under construction. Russian customs service also has certain preliminary agreements with its Chinese colleagues in the field of information exchange. Also Russia has several international agreements on customs cooperation with some of our main trade partners.

In conclusion we would like to note that optimization of foreign trade, economic integration, simplification of customs procedures are one of the main goals in the Russian economic policy. We consider these aims may be achieved only in the closest and most intense state-to-state and state-to-business cooperation.

Thank you.